

## Markets Update

Friday, 15 August 2025

### Key news

- On the currency front, sterling extended its gains against most currency peers as the latest UK growth number wrong footed the market and came in stronger than forecast. Delving deeper into the pounds recent rally, GBP has out-performed most peers this week and is on track for a sixth consecutive week of gains versus the euro.
- The rally has come as market analysts are now questioning whether further interest rate cuts are on the table from the BoE following its decision to cut rates last week. Currently money markets are now pricing in around a 60% chance of a 0.25bps cut by the year end, down from 75% earlier this week.
- Overnight in Asia - China's factory output growth in July hit its lowest point in eight months, with retail sales experiencing a significant slowdown. Japan's economy expanded significantly faster than anticipated in the second quarter, as export volumes remained resilient despite new U.S. tariffs.
- Looking ahead to today, in the US, July retail sales and industrial production data is out. Retail sales are anticipated to reflect solid consumer demand, though markets will closely monitor any potential signs of consumers turning more cautious amid the tariff uncertainty.
- Looking at the currencies this morning, the pound starts the session €1.3550 and against the euro has opened over €1.16

### Market Rates

Market rates at opening

GBP/USD	1.3555
GBP/EUR	1.1603
EUR/USD	1.1682
EUR/GBP	0.8618
GBP/AUD	2.0812
GBP/CAD	1.8697
GBP/CHF	1.0918
GBP/DKK	8.6604
GBP/HKD	10.5917
GBP/JPY	199.1800
GBP/NOK	13.7804
GBP/NZD	2.2863
GBP/SEK	12.9415
USD/CNY	7.1827

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